Release Date: 06-30-2008

Vanguard Value Index

Overall Morningstar Rating™	Morningstar Return	Morningstar Risk
★★★	Average	Above Average

Out of 1183 Large Value funds. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for more detail.**

Investment Strategy from investment's prospectus

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks.

The fund employs a passive management investment approach designed to track the performance of the MSCI US Prime Market Value index, a broadly diversified index of the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Category Description: Large Value

Large-value funds focus on big companies that are less expensive or growing more slowly than other large-cap stocks. These funds often feature investments in energy, financial, or manufacturing sectors.

Broad Asset Class: Large Cap Stocks

Shares of ownership in large corporations.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

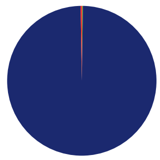
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★	★★★	★★★
Fund Rank Percentile	70	67	48	35	56
Out of # of Investments	1,492	1,428	1,183	928	427

Portfolio Analysis as of 03-31-08



Composition as of 03-31-08	% Assets
U.S. Stocks	99.5
Non-U.S. Stocks	0.3
Bonds	0.0
Cash	0.2
Other	0.0

Morningstar Style Box™ as of 03-31-08

Large Med Small

Value Blend Growth

	% Mkt Cap
Giant	53.57
Large	27.30
Medium	18.72
Small	0.37
Micro	0.04

Top 15 Holdings as of 03-31-08	% Assets
ExxonMobil Corporation	7.53
General Electric Company	6.09
AT&T, Inc.	3.78
Johnson & Johnson	3.02
Chevron Corporation	2.94
Bank of America Corporation	2.74
J.P. Morgan Chase & Co.	2.35
Pfizer Inc.	2.33
ConocoPhillips	1.89
Citigroup, Inc.	1.80
Procter & Gamble Company	1.77
Philip Morris International Inc	1.73
Verizon Communications Inc.	1.72
American International Group	1.52
Wells Fargo Company	1.51
Total Number of Stock Holdings	386
Total Number of Bond Holdings	0
Annual Turnover Ratio %	20
Total Fund Assets ($mil)	8,590.7

Statistics as of 03-31-08	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.69	0.87	0.94
P/B Ratio	1.80	0.87	0.94
P/C Ratio	14.28	1.67	1.21
GeoAvgCap ($mil)	51,514.16	1.08	1.28

Risk Measures as of 06-30-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	10.72	0.69	0.99
3 Yr Beta	1.00	—	1.02
3 Yr Sharpe Ratio	-0.03	0.12	0.75
3 Yr Alpha	-0.98	—	0.77
3 Yr R-squared	91.49	—	1.04

Morningstar Sectors as of 03-31-08	Fund%	S&P 500%
Information	9.43	20.44
Software	0.35	4.00
Hardware	1.28	10.16
Media	1.59	2.95
Telecommunication	6.21	3.33
Service	43.55	37.62
Healthcare Service	11.51	11.94
Consumer Service	3.60	6.95
Business Service	2.11	4.66
Financial Service	26.33	14.07
Manufacturing	47.03	41.96
Consumer Goods	11.08	9.08
Industrial Materials	12.34	12.65
Energy	16.90	16.35
Utilities	6.71	3.88

Risk Classification as of 06-30-08

An investment's risk classification corresponds with the following ranges of standard deviation.

I	II	III	IV	V	VI

- **I** Lowest: Money Market and Stable Value Funds
- **II** Very Low: 0.00-3.46
- **III** Low: 3.47-5.21
- **IV** Moderate: 5.22-9.95
- ► **V** High: 9.96-13.50
- **VI** Very High: 13.51 and above

Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Morningstar provides standard deviation and Nationwide provides the ranges.

Operations

Net Annual Rpt Exp Ratio	0.20% of fund assets
Gross Prospectus Exp Ratio	0.20% of fund assets
Fund Inception Date	11-02-92
Initial Share Class Inception Date	11-02-92
Advisor	The Vanguard Group
Subadvisor	—

Portfolio Manager(s)

Gerard C. O'Reilly. B.S., Villanova U. Since 1994.